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Control No. 3736
EIC-M-111
9 December 1965

ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building

1030 hours, 9 December 1965

DIA Declassification/Release Instructions on File

PRESENT:

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[REDACTED] CIA, Chairman
Mr. Morris H Crawford, Department of State
Mr. Baxter Wood, Defense Intelligence Agency
Mr. William C. Andrews, Department of the Army
CDR. James G. Brady, Department of the Navy
Dr. Robert A. Kilmarx, Department of the Air Force

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[REDACTED] National Security Agency
Mr. Jerome Forrest, Agency for International Development
Mr. Fred Pirhalla, Department of Commerce

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[REDACTED] CIA, Executive Secretary

ANNOUNCEMENTS:

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Upon the retirement of Dr. Guthe on 30 December 1965, he will be succeeded by [REDACTED] as Director of Research and Reports, CIA, the Chairman announced. [REDACTED] will become Deputy Director of Research and Reports and, as previously announced, he has been appointed Chairman of the Economic Intelligence Committee. [REDACTED]

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[REDACTED] will succeed [REDACTED] as Chief of the Economic Research Area of ORR. [REDACTED]

Approval of Working Group Chairmen

No objections or further nominations were received and the following Chairmen are considered approved by the EIC, by interim action, on 24 November 1965.

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GROUP 1
Excluded from automatic
downgrading and
declassification

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EIC Working Group on Aid and Trade Activities of Communist
Countries in Less Developed Areas of the Free World

Arthur J. Smith
INR/RSB/BE
Department of State

EIC Working Group on [REDACTED]
[REDACTED]
Central Intelligence Agency

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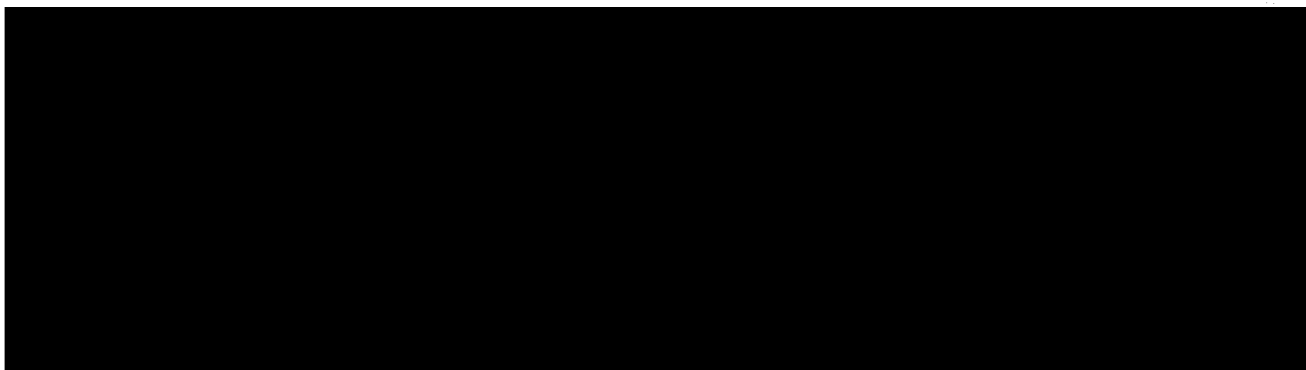
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"International Trade and Transport of Communist China, 1964"
EIC-R16-S6, Secret/NO FOREIGN DISSEM [REDACTED]
[REDACTED]

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APPROVAL OF MINUTES:

The minutes of the EIC meeting of 9 November 1965 (EIC-M-110) were approved.

CONSIDERATION OF EIC SUBCOMMITTEE STRUCTURE:

1. Subcommittees Abolished

The Chairman recalled that, as noted in EIC-M-108 of 30 June 1965, the Office of the Director of Administrative Management of the Department of Defense had recommended to the Bureau of the Budget that the EIC Subcommittees on Chemicals, Economic Defense, Electric Power and Solid Fuels, Industrial Machinery and Equipment, and Minerals and Metals be abolished. He noted that this recommendation had been referred by the Bureau of the Budget to the CIA for the Chairman's consideration.

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Briefs outlining activities during the year for all EIC Subcommittees were circulated for information. The Chairman noted that the five subcommittees listed above had concurred in the DOD recommendation and had recommended that if abolished that bilateral coordination and exchange of information should be encouraged to continue.

Discussion followed and members agreed that these subcommittees be abolished. The Chairman stated that in the future specific questions on problems within the purview of a subcommittee that has been abolished, and requiring EIC action, could be accommodated by setting up ad hoc working groups for particular purposes as required or by amending the terms of reference to broaden the scope of activity of a standing subcommittee, e. g., the Subcommittee on General Economic Analysis.

2. Subcommittee Requests for Abolition

The Chairman reported that the subcommittee officers had indicated to the Executive Secretary that the Committee also consider disbanding the Subcommittees on Agriculture, Petroleum, and Population and Manpower.

Considerable discussion followed and it was agreed that the Chairmen of these three subcommittees be directed to hold a formal meeting to consider the specific question of its continuation or merger or abolition taking into consideration the possibility or desirability of holding formal annual or semi-annual meetings to discuss the state of intelligence in its field of responsibility, reports that have been issued, etc., and to report back to the Committee.

3. Subcommittee on General Economic Analysis

It was also agreed that the Chairman of the Subcommittee on General Economic Analysis be directed to hold a formal meeting to consider its own role and the possibility of expanding its terms of reference to include a broader scope of activity and to report back to the Committee.

4. Discussion Deferred

Discussion of the Subcommittees on Electronics and Telecommunications, International Trade and Finance, Shipbuilding, and Transportation was deferred until the next meeting.

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5. Department of State Proposal for Establishment of Subcommittee

The Chairman asked the Department of State representative to speak on his proposal to establish a subcommittee that would be concerned with current developments in the Communist countries. This proposal, outlining the functions and organization, was circulated to members prior to the meeting.

The Department of State representative suggested that the proposed group address itself to discussions and the exchange of views on current economic affairs, but not attempt to make or to coordinate estimates nor to develop a common view on current developments. He stated discussions of this kind would be meaningful especially to policy officers in his Department.

Due to the lateness of the hour, the Chairman requested members to report interim views on this proposal to the Executive Secretary for further discussion at a meeting in early January 1966.

The Chairman also requested members to submit comments as soon as possible to the Executive Secretary on the following items:

Expanding the terms of reference for the Subcommittee on General Economic Analysis to include those specific questions that require action of a subcommittee that has been abolished or on problems that are not within the field of responsibility of another standing subcommittee. Such a proposal will be circulated to members for approval and referred to the Subcommittee for action.

Proposals for establishing new subcommittees or on reconstitution of standing subcommittees, or any other suggestions they might have on the structure of the Committee, and

Topics that the Committee might consider in addition to the regularly scheduled coordination of publications.

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PRESENTATION TO DR. GUTHE

The members presented a Certificate of Appreciation to Dr. Guthe, who is retiring after nearly 31 years of Federal service, for the leadership which he has so ably provided as Chairman of the Committee since 1953.

DATE OF NEXT MEETING:

The next regular meeting will be held on Tuesday, 11 January 1966 at 1015 hours in Room 4 F 31, CIA Headquarters Building.

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Executive Secretary

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